

PROPOSED PERMIT TO OPERATE

Permit Number 353-5

EQUIPMENT OWNER-OPERATOR:

Chevron USA Inc.

EQUIPMENT LOCATION:

Midway Sunset Oilfield, San Luis Obispo County

FOR THE EQUIPMENT LISTED HEREIN AND SUBJECT TO THE LISTED CONDITIONS

ISSUANCE DATE

ANNIVERSARY

LARRY R. ALLEN
Air Pollution Control Officer

GARY E. WILLEY
Engineering Supervisor

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CONVENTIONS AND ABBREVIATIONS

A. The following conventions are used in this permit.

1. Referencing of conditions: The reference for each requirement will be noted in [square brackets]. References that are noted as being "District-only" are not federally-enforceable requirements. **All conditions with references in [square brackets] that do not contain the phrase "District-only" must be considered federally-enforceable requirements.**
2. Requirements based on current District rules will be noted by the phrase "Rule" followed by the rule number. Requirements based on District rules approved into the State of California Implementation Plan (SIP) will be noted by the phrase "SIP Rule," followed by the rule number as it appears in the SIP.
3. If the SIP version of a rule is the same as the current version of a rule, only the SIP version will be cited. If the SIP version of a rule is different than the current version, both will be included.
4. If there is no over-riding need for the current version of a permit condition to be considered federally-enforceable, it will be listed as "District-only." An example of an over-riding need might be when that condition is needed to support a federally-enforceable limit.
5. In multi-part conditions, the general reference notation at the beginning of the condition will apply throughout except for those subparts that are followed by a specific reference.
6. Unless otherwise noted, a "day" shall be considered a 24 hour period from midnight to midnight (*i.e.*, calendar day).
7. The number of digits displayed for any given emission or operational limit in this permit is intended to represent the number of significant digits for test or analysis results rounding. *e.g.*, 2,000 ppmv is intended to represent 2.000E3 ppmv and any test result greater than 2,000.5 ppmv would not comply with that limit.
8. When rounding test and analysis results or recorded and reported values to the correct number of significant digits, any rounding of the value "5" should result in an even number. *e.g.*, 34.65 to three significant figures would be written 34.6. Also when rounding, if the final digit is 0, 1, 2, 3, or 4, the number does not change and, if the final digit is 6, 7, 8, or 9, the number is increased by one.
9. Federal regulation subpart references will typically be indicated by their subpart designation followed by a section number. The titles of all subparts included here are as follows:

40CFR61, Subpart A, General Provisions (National Emission Standards for Hazardous Air Pollutants - NESHAPS)
40CFR61, Subpart M, National Emission Standard for Asbestos

10. District rule numbers only will be used for the most part in this permit. Rule titles are as follows (parentheses indicate an identical title for both the SIP and the current versions of a rule):

(SIP) Rule 106, Standard Conditions
Rule 107, Upset and breakdown Conditions
SIP Rule 113, Particulate Matter
SIP Rule 114, Gaseous Contaminants
SIP Rule 201.E, Posting of Permit to Operate
Rule 201, Equipment Not Requiring a Permit
Rule 202, Permits
Rule 204, Requirements (a.k.a. New Source Review)
SIP Rule 205, Conditional Approval
Rule 206, Conditional Approval
Rule 210, Periodic Inspection, Testing and Renewal of Permits to Operate
Rule 216, Federal Part 70 Permits
Rule 302, Schedule of Fees
(SIP) Rule 401, Visible Emissions
Rule 402, Nuisance
Rule 403, Particulate Matter Emission Standards
(SIP) Rule 404, Sulfur Compounds Emission Standards, Limitations and Prohibitions
(SIP) Rule 406, Carbon Monoxide Emission Standards and Limitations
SIP Rule 407, Organic Material Emission Standards, Limitations and Prohibitions
Rule 407, Organic Material Emission Standards
(SIP) Rule 416, Degreasing Operations
Rule 433, Architectural Coatings
(SIP) Rule 501, General Burning Provisions

B. Abbreviations used in this permit are as follows:

40CFR	Chapter 40 to the Code of Federal Regulations
APCO	Air Pollution Control Officer
bhp	brake horsepower
Btu	British thermal unit
CARB	California Air Resources Board
CCR	California Code of Regulations
CO	carbon monoxide
CO ₂	carbon dioxide
CIWMB	California Integrated Waste Management Board
dscf	dry standard cubic foot
EPA	United States Environmental Protection Agency
°F	degrees Fahrenheit
gal	gallon
gr	grains
H&SC	California Health and Safety Code
H ₂ S	hydrogen sulfide
hp	horsepower
hr	hour
lb	pounds
LFG	landfill gas
mmBtu	million British thermal unit of heat input
MSDS	Material Data Safety Sheet

NMOC	non-methane organic compounds
NO _x	oxides of nitrogen
O ₂	oxygen
ppmv	parts per million by volume
psia	pounds per square inch absolute
RWQCB	Regional Water Quality Control Board
scf	standard cubic feet
scfm	standard cubic feet per minute
SIC	Standard Industrial Classification
SIP	State of California Implementation Plan
TOC	total organic compounds
tpy	tons per year
vol%	percent by volume
wt%	percent by weight

FACILITY DESCRIPTION

A. General.

This application is to permit the Chevron Midway Sunset Oilfield, an existing oilfield that straddles the San Luis Obispo and Kern County lines. The entire oilfield contains thousands of producing oil wells, storage tanks, and gas processing facilities. The portion of the oilfield that extends into San Luis Obispo County consists of 38 oil wells, 2 crude oil tanks, and a portion of a gas gathering systems.

If evaluated for only the emissions in San Luis Obispo County, Chevron Midway Sunset would be exempt from needing a Title V operating permit, as potential emissions in San Luis Obispo County are well below the 100 ton per year major source threshold. The Chevron Midway Sunset emissions in the San Joaquin Air District, however, are 128 tons per year. The EPA has determined that emissions from a single source must be aggregated across jurisdictional boundary lines. This finding was made in 1998 when the US EPA ruled that the jurisdictional boundary between the South Coast Air Quality Management District and the San Diego Air Pollution Control District did not separate Camp Pendleton Marine Corp Base into two facilities. Rather, the EPA considered the entire military base to be a single facility and required that emissions be aggregated across the county line for Title V purposes. EPA went on to indicate that Title V permits should be issued by each agency based on their individual major source thresholds. Based upon this ruling, Chevron Midway Sunset already has a Title V operating permit from the SJVAPCD and has applied for a Title V operating permit with SLO APCD as well.

- B. Specific Equipment.** Major emission units are listed below but all associated piping fittings and valves, which are not explicitly identified, are also included in this permit and subject to their respective major emission unit's requirements. Chevron is authorized to operate the equipment listed below in the configuration described. [SIP Rule 201]

- 1. Oil and Gas Production.** Oil and gas production lease with the following equipment:

	Title	Capacity	Description
a.	Gas gathering system with (1) electric powered compressor	25 hp	electrically driven Compressor, designated C-2, connected to the larger central system located in Kern County (Section 36, T31S/R22E)
b.	Compressor drain vessel	20.5 bbl	Vessel and associated valves and piping for the collection of the C-2 compressor condensate
c.	Thirty-eight (38) electrically driven wells		Thirty-eight electrically driven wells connected to the C-2 gas gathering system
d.	Thirty (30) electrically driven wells		Thirty electrically driven wells closed to the atmosphere
e.	One (1) 500 bbl crude oil storage tank	500 bbl	500 bbl fixed roof crude oil storage tank, designated 2FC29
f.	One (1) 200 bbl horizontal crude oil storage tank	200 bbl	200 bbl horizontal crude oil storage tank
g.	Associated piping fittings and valves		

- C. Insignificant Equipment.** The following equipment and equipment types are considered environmentally insignificant. This equipment is not subject to the provisions of this permit except for those units which are subject to a federally-enforceable, generally applicable requirement as listed in section III.A.1.

Description	Basis for Insignificance
maintenance machining equip., e.g., drills, saws, presses	Rule 201.A.1
Household Hazardous Waste Facility	Rule 201.A.1
grounds maintenance equip., e.g., weed eaters, mowers	Rule 201.B.1
internal combustion engines rated at <50 bhp	Rule 201.B.1
domestic hot water heaters	Rule 201.B.2
graders, loaders, utility trucks, and other mobile equipment	Rule 201.C.1
storage tanks with <250 gallon capacity	Rule 201.I.1
diesel storage tanks used for vehicle refueling	Rule 201.I.3
lubricating oil storage	Rule 201.I.8
gasoline storage tanks used for vehicle refueling	Rule 201.I.9
architectural surface coating equipment	Rule 201.J.1
cold solvent cleaners	Rule 201.J.2
comfort air conditioning	Rule 201.M.1
pressure washer cleaning equipment	Rule 201.M.4
comfort space heating	Rule 201.M.5
welding equipment	Rule 201.N.2

GENERAL CONDITIONS

1. For the purposes of this permit, all requirements shall be based on standard atmospheric conditions of sixty degrees Fahrenheit (60°F) and 14.7 psia. [SIP Rule 106]
2. If the APCO determines that the operation of this equipment is causing a public nuisance, Chevron shall take immediate action to eliminate such nuisance. [District-only, Rule 402]
3.
 - a. Visible emissions shall not exceed Ringlemann #2 or forty percent (40%) opacity for a period exceeding three (3) minutes aggregated in any sixty (60) minute period of time. [H&SC 41701 and SIP Rule 401]
 - b. Visible emissions shall not exceed Ringlemann #1 or twenty percent (20%) opacity for a period exceeding three (3) minutes aggregated in any sixty (60) minute period of time. [District-only Rule 401]
 - c. These visible emission limits shall not apply to open outdoor fires, which have been approved by the APCO, for the purposes of employee instruction in fire fighting methods. [SIP Rule 401]
4. This facility must comply with all applicable provisions of the Air Toxic "Hot Spots" Act as set forth in Health and Safety Code Section 44300 (*et seq.*). [District-only, H&SC 44300 (*et seq.*) and, District-only, Rule 204.F.1]
5. All abrasive blasting shall be conducted in accordance with Title 17 of the California Code of Regulations (CCR). [District-only, CCR92000 (*et seq.*) and, District-only, Rule 206]
 - a. Each operator of this equipment shall be supplied with a copy of the abrasive blasting provisions of Title 17 and the APCO prepared summary of Title 17.
 - b. Abrasive blasting of items smaller than eight feet (8') must be conducted within an enclosure or indoors.
 - c. All dry, unconfined blasting shall utilize CARB certified abrasives.
 - d. Areas surrounding the blasting operation shall be periodically washed, swept, vacuumed, or otherwise cleaned to prevent re-entrainment of dust.
6. The APCO shall be notified in writing before any changes are made in the design, construction, or operation of this equipment or any modifications are made to process condition that might increase the emission of air contaminants. [District-only, Rule 202]
7. This facility shall comply with all applicable provisions of District Rule 433, Architectural Coatings. [District-only, Rule 433]

8. Chevron shall ensure that cold solvent metal cleaning devices, with the exception of wipe clean operations:
 - a. utilize: [SIP Rule 416.B]
 - i. a container for the solvent and the articles being cleaned;
 - ii. a cover, easily operated with one hand, which prevents the solvent from evaporating when the cleaning device is not in use;
 - iii. a shelf for draining cleaned parts such that the drained solvent is returned to the solvent storage container;
 - iv. a permanent, conspicuous label, which lists all applicable operating requirements; and
 - v. a freeboard ratio equal to or greater than 0.75, if the solvent surface area is greater than or equal to 5.4 square feet; and
 - b. are operated as follows. [SIP Rule 416.C]
 - i. All degreasing equipment and emission control equipment must be operated and maintained in good working order.
 - ii. No solvent may be allowed to leak from the degreasing equipment.
 - iii. All solvent must be stored and disposed of in a manner that prevents its evaporation to the atmosphere.
 - iv. The cover of any cleaning device shall not be removed unless that device is in use or undergoing maintenance.
 - v. The operator shall drain parts for at least fifteen (15) seconds after cleaning or until dripping ceases.
 - vi. Flowing solvent shall consist of a liquid stream and not a fine, atomized, or shower type spray; and the motive pressure for that solvent flow shall be sufficiently low to prevent the splashing of solvent beyond the container.
9. Chevron shall comply with all applicable provisions of 40CFR82, Protection of Stratospheric Ozone. [40CFR82.1.b]
 - 1) Chevron shall comply with the ozone-depleting substance labeling standards of 40CFR82 subpart E. No person may modify, remove, or interfere with a required warning statement, except as described in 40CFR82.112. [40CFR82.112.a]
 - 2) Chevron shall comply with the recycling and emissions reduction standards of 40CFR82 subpart F. [40CFR82.150.b]
 - i. Chevron shall comply with 40CFR82.156 when opening any appliance for maintenance, service, repair, or disposal.
 - ii. Chevron shall ensure that recycling and recovery equipment used during the maintenance, service, repair, or disposal of appliances complies with 40CFR82.158.
 - iii. Chevron shall ensure that any person performing maintenance, service, or repairs on, or disposing of, appliances is currently certified under a technician certification program that has been approved under 40CFR82.161.

- iv. Chevron shall comply with the recordkeeping requirements of 40CFR82.166 when disposing of small appliances or motor vehicle air conditioner (MVAC)-like appliances.
 - v. Chevron shall comply with the leak repair requirements of 40CFR82.156.
 - vi. Chevron shall maintain a record of refrigerates purchased and added to equipment that contains fifty (50) pounds or more of refrigerate, as required by 40CFR82.166.
10. Chevron shall not ignite or maintain an open outdoor fire except as approved by the APCO for the purposes of employee instruction in fire fighting methods. [SIP Rule 501.A]
11. While temporarily operating at Chevron Midway Sunset, any portable welder, air compressor or electrical generator, which provides the motive power for that portable equipment, shall comply with all applicable requirements of this permit and 17CCR93116, the Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater. [17CCR93116, District-only, Rule 206 for "District-only" conditions and SIP Rule 205 for all others]
12. If Chevron Midway Sunset is not in compliance with any federally-enforceable requirement, they shall submit to the APCO a schedule of compliance, which has been approved by the Hearing Board. [Rule 216.F.2.c]
13. A pending permit action, or notification of anticipated noncompliance, does not stay any condition of this permit. [Rule 216.F.1.e]
14. All terms and conditions of this permit are enforceable by the EPA Administrator and citizens of the United States under the federal Clean Air Act unless referenced as being based on a District-only requirement. All terms and conditions of this permit, including those referenced as being based on a District-only requirement, are enforceable by the APCO. [Rule 216.F.3]
15. This permit, or a true copy, shall be made readily accessible at the Chevron Midway Sunset office and shall not be altered or defaced in any way. [SIP Rule 201.E&F]
16. The terms and conditions of this permit shall apply to the equipment listed herein, which is operated by either Chevron or their contractor(s), and located at the Western Midway Sunset Oilfield in Section 1 or 2 of T32S, R22E of San Luis Obispo County California, or on contiguous properties to the listed Sections, which are owned and controlled by Chevron. [SIP Rule 205]
17. A permit revision shall not be required to implement process changes, economic incentives, marketable permits, emissions trading, and other similar programs that are provided for elsewhere in this permit. [Rule 216.F.1.1]
18. **Federal Regulation and District Compliance Plans:**

- a. Chevron Midway Sunset will continue to comply with those permit conditions with which it is in compliance, as identified in this permit. [District-only, Rule 426.F.1.f & L.2.b]
 - b. Chevron Midway Sunset shall comply with all federally enforceable requirements that become applicable during the permit term, in a timely manner, as identified in this permit. [District-only, Rule 426.F.1.f & L.2.c]
19. **Severability.** The provisions of this Permit to Operate are severable, and, if any provision of this Permit to Operate is held invalid, the remainder of this Permit to Operate shall not be affected thereby. [Rule 216.F.1.e]
20. **Circumvention.** Chevron Midway Sunset shall not build, erect, install, or use, any article, machine, equipment, or process subject to an applicable standard, if its use would conceal an emission that would otherwise constitute a violation of any standard. [40CFR60.12, 40CFR61.19, 40CFR63.4.b, District-only, Rule 206]
21. **Permit Life.** This Permit to Operate shall become invalid five years from the original effectiveness date unless a timely and complete renewal application is submitted to the APCO. Chevron shall apply for renewal of this permit no later than six months before the date of expiration. Upon submittal of a timely and complete renewal application, this permit to operate shall remain in effect until the APCO issues or denies the renewal application. [Rule 216.I.1, I.2, & I.4]
22. **Payment of Fees.** Chevron Midway Sunset shall remit Title V compliance determination fees to the District in response to the District's invoice on a timely basis. Failure to remit fees in accordance with District Rule 302 shall result in forfeiture of this Permit to Operate. Operation without a permit to operate subjects the source to potential enforcement action by the District and the EPA pursuant to section 502(a) of the Clean Air Act. [Rule 216.F.1.k]
23. Chevron Midway Sunset shall comply with all terms and conditions of this permit. Non-compliance constitutes a violation of the federal Clean Air Act. Continuing non-compliance with any permit condition is grounds for permit termination, revocation and reissuance, modification, enforcement action, or denial of permit renewal. [District-only, Rule 206 for "District-only" enforceable conditions and Rule 216.F.1.f & 40CFR60.752.b.2.iv for all others]
24. The need to halt or reduce a permitted activity in order to maintain compliance shall not be used as a defense for noncompliance with any permit condition. [Rule 216.F.1.g]
25. This permit may be modified, revoked, reopened and reissued, or terminated for cause as determined by the District. The filing of a request by Chevron Midway Sunset for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. [Rule 216.F.1.h & K.1]
26. This permit does not convey property rights or exclusive privilege of any sort. [Rule 216.F.1.i]

27. Within a reasonable time period, Chevron Midway Sunset shall furnish any information requested by the APCO, for the purpose of determining:
- a. compliance with this permit; [Rule 216.F.1.j.2]
 - b. air contaminant emissions; [SIP Rule 205]
 - c. whether or not cause exists to modify, revoke, reissue, or terminate this permit; or [Rule 216.F.1.j.1]
 - d. whether or not cause exists for an enforcement action. [Rule 216.F.1.j.2]
28. **Right of Entry:** The Regional Administrator of U.S. Environmental Protection Agency, the Executive Officer of the California Air Resources Board, the APCO, or their authorized representatives, upon the presentation of credentials, shall be permitted to enter upon the premises and, at reasonable times, be permitted to: [Rule 216.F.2.a]
- a. inspect the stationary source, including equipment, work practices, operations, and emission-related activity;
 - b. inspect and duplicate records required by this Permit to Operate; and
 - c. sample substances or monitor emissions from the source or other parameters to assure compliance with the permit or applicable requirements. Monitoring of emissions can include source testing.

Equipment Specific Requirements

29. The tanks shall only store crude oil or volatile organic compounds (VOCs) with a True Vapor Pressure (TVP) of less than 0.5 psia under all storage conditions. [District-only Rule 425]
30. Fugitive emissions of volatile organic compounds shall be controlled. For this condition, a leak shall be defined as any liquid leak, a visual or audible vapor leak, the presence of bubbles using soap solutions, or a leak identified by the use of a vapor analyzer. [SIP Rule 417]
31. The Inspection and Maintenance Plan for the control of fugitive emissions of volatile organic compounds shall be adhered to in accordance with Section D, of District Rule 417. [SIP Rule 417]
32. Measurements of total gaseous hydrocarbon leak concentrations shall be conducted according to EPA Reference Method 21. [SIP Rule 417]
33. The condensate from the C-2 compressor and associated vessels, valves and piping shall be collected, stored, and treated in a manner approved by the RWQCB. [District-only Rule 206]

TESTING REQUIREMENTS AND PROCEDURES

34. Chevron shall conduct True Vapor Pressure (TVP) testing of the organic liquid stored in the tanks as required by regulation or when requested by the APCO. [District-only Rule 425]
35. TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "Test Method for Vapor Pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District-only Rule 425]

RECORDKEEPING REQUIREMENTS

36. Chevron Midway Sunset shall maintain an up-to-date inspection log containing the following:
 - a. Name, location type of components and description of any unit where leaking components are found. [SIP Rule 417]
 - b. Date of leak detection, emission level (ppm) of leak, and method of leak detection. [SIP Rule 417]
 - c. Date and emission level of re-check after leak is repaired. [SIP Rule 417]
 - d. Total number of components inspected, and total number and percentage of leaking components found by component types. [SIP Rule 417]
37. Chevron Midway Sunset shall submit upon request by the District, records of leaks detected by the operator, and each subsequent repair and re-inspection. [SIP Rule 417]
38. Chevron Midway Sunset shall maintain all records of operator inspection and repair for the previous five (5) year period and made available to the District upon request. [Rule 216.F.4]

REPORTING REQUIREMENTS

39. **Emergency Provisions.** Chevron Midway Sunset shall comply with the requirements of District Rule 107, Upset and Breakdown Conditions. [District-only Rule 107]
40. Any deviation from any requirement in this permit, excluding those reported under District Rule 107, shall be reported to the APCO as follows:
 - 1) a verbal report as soon as reasonably possible, but in any case within four hours after its detection; and
 - 2) as soon as the occurrence has been corrected, but no later than ten calendar days after the event, through a written report which includes the probable cause of the deviation and the corrective actions or preventative measures taken. [Rule 216.F.1.o]

41. Annual emissions inventory reporting. Due on the date indicated in the following table, should include data for the respective time periods in any given year unless otherwise indicated. [District-only, Rule 206]

Due Date	Annual Data
February 1	January 1 through December 31

42. On a **semi-annual** basis, Chevron Midway sunset shall submit a report to the APCO, with a copy to the EPA Region IX Administrator. A report for the months of July through December of the previous calendar year shall be submitted no later than March 1. A report for the months of January through June shall be submitted no later than September 1 of the same calendar year. Each report shall be certified to be true, accurate, and complete by a responsible official, and shall include the following. [Rule 216.F.1.c.3]
- 1) A summary of deviations from requirements in this permit. [Rule 216.F.1.c.3.i]
 - 2) If Chevron Midway Sunset is not in compliance with any federally-enforceable requirement, include a progress report on the schedule of compliance that has been approved by the District Hearing Board. That report shall include: [Rule 216.F.2.c]
 - i. dates for achieving the activities, milestones, or compliance required in the schedule of compliance, and dates when such activities, milestones or compliance were achieved; and
 - ii. an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.
43. On an **annual** basis, no later than January 31 of each year Chevron Midway Sunset shall submit a Compliance Certification Report to the APCO pursuant to District Rule 216.L.3, with a copy to the EPA Region IX Administrator. This report shall identify each federal applicable requirement in this permit, the compliance status of each subject process unit, whether the compliance was continuous or intermittent since the last certification, and the method(s) used to determine compliance. Each report shall be certified to be true, accurate, and complete by a responsible official. [Rule 216.L.3]

44. **Compliance Determination Fees.** The following fee schedules shall apply to the described process units. [District-only, Rule 302.E]

Description	Fee Schedule (Rule 302.E)		Each
Fixed or Internal floating roof petroleum storage tank	20		2
Miscellaneous Equipment	32		1
<300 bbl/day Oil and Gas	37		1
Oil Production Vapor	38		1

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